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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

LOVENZO GUZMON a SINGLE PERSON

## PAID UP OIL AND GAS LEASE

(No Surface Use)

day of SEDENINEY

, 2008, by and between

	MALALA DI VICTORI	2.0			
	ose addresss is 704 Wa Drive Fort	Worth T	EXCLS MOR	Ob	as Lessor.
aı	, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Sui	e 1870 Dallas Texas	75201, as Lessee. A	All printed portions of this lease were pr	epared by the party
ne	emadove named as Lessee, but all other provisions (including the c	empletion of black sna	ces) were prepared ini	inthy by I egent and I egopo	
at.	1. In consideration of a cash bonus in hand paid and the constitution bereing the constitution of the cons	renants herein contair	ed, Lessor hereby gr	rants, leases and lets exclusively to L	essee the following
u.	scribed land, hereinafter called leased premises:				
	_				
	1113 ACRES OF LAND MODE OF LEGS BEIN	0.1.07(0)			10
_	ACRES OF LAND, MORE OR LESS, BEIN	G LOT(S)	6	, BLOCK _	6
C	IT OF THE LUDION DEPOT			ADDITION, AN ADDITION TO	THE CITY OF
	FORT WORTH TARR	ANT COLINTY T	EXAS ACCORD	ING TO THAT CERTAIN PLA	TECODOED
11		7111 GOONT (, 1	LAAO, AGGGRE	ANO TO THAT CERTAIN FLA	I KEGOKDED
• • • • • • • • • • • • • • • • • • • •	VOLUME 63 PAGE 45	OI- 11	HE PLAT RECOR	RDS OF TARRANT COUNTY,	TEXAS.
	Torrent account				
ÍΠ	he County of Tarrant, State of TEXAS, containing 103	gross acres, mo	re or less (including a	ny interests therein which Lessor may I	hereafter acquire by
re	ersion, prescription or otherwise), for the purpose of exploring for	developino producio	a lio polierirem for a	and nee stoop with all hydrocarbon an	d non hydronarhan
21	izrances broducen in association melewith illicitioning decopysics	Il/Seismic onerations)	The term "nas" as	used herein includes halium carbon	. Alovide and other
CC	nmercial gases, as well as hydrocardon gases, in addition to line .	above-describeri lease	d premises, this lease	tiems was box anoiterons preven nels f	etrine or namole of
lia t	d now or hereafter owned by Lessor which are contiguous or adjac	ent to the above-desc	ribed leased premises	s, and, in consideration of the aforemen	ntioned cash bonus,
Li	sor agrees to execute at Lessee's request any additional or suppler	nental instruments for	a more complete or ac	curate description of the land so covere	ed. For the purpose
O	letermining the amount of any shut-in royalties hereunder, the numb	er of gross acres abov	e specified shall be de	semed correct, whether actually more or	r less.
			Mai	6.4	
	<ol><li>This lesse, which is a "paid-up" lease requiring no rentals, shi</li></ol>	Ill be in force for a prin	nary term of 🕌 🗎	years from the	date hereof, and for
as	long thereafter as oil or gas or other substances covered hereby are	produced in paying q	uantities from the leas	ed premises or from lands pooled there	with or this lease is
ot	erwise maintained in effect pursuant to the provisions hereof.				
	3. Royalties on oil, gas and other substances produced and say	ed hereunder shall be	paid by Lessee to Le	essor as follows: (a) For oil and other	liquid hydrocarbons
	iarateu at lessee's separator facilities, the royalty shall be 111 L	( )+    ~ }   \( \)   \( \)   \( \)   \( \)   \( \)   \( \)     \( \)   \( \)   \( \)     \( \)     \( \)     \( \)	かんしかきょう め	) of such production, to be delivered at	l eggee's ontion to
	ison at the wearead or to reason's ciguit at the on pulchaser's trains	portakon raciilies, pro	vided that Lassea sha	iil nave the continuing right to burchese	I SUICH DEAGHERSON AT
111	wellhead market price then prevailing in the same field (or if there	s is no such price the	n prevailing in the san	ne field, then in the nearest field in wh	ich there is such a
- Pi	vailing price) for production of similar grade and gravity; (b) for	gas (including casin	g head gas) and all	other substances covered hereby, the	he royally shall be
<u>1</u> .	CENTY-TIVE PERCENT (35 %) of the proces	ds realized by Lesse	e from the sale ther	eor, less a proportionate part of ad	valorem taxes and
ы	duction, severance, or other excise taxes and the costs incurred by	Lessee in delivering,	processing or otherwi	ise marketing such gas or other substa	inces, provided that
D.C	see shall have the continuing right to purchase such production at	ne prevaning weimead	market price paid for	production of similar quality in the sam	e field (or if there is
ih	such price then prevailing in the same field, then in the nearest fiel	in which there is suc	n a prevailing price) p	ursuant to comparable purchase contra	acts entered into on
m	same or nearest preceding date as the date on which Lessee com- re wells on the leased premises or lands pooled therewith are capa:	nences its purchases i	nereunder; and (c) if a	it the end of the primary term of any tin	ne mereaner one or
SIT.	waiting on hydraulic fracture slimulation, but such well or wells are	he or enner prouncing	on or gas or other suc	being sold by Leanne, such well as well	nities of such wells
be	deemed to be producing in paying quantities for the purpose of ma	intalning this loose. If	for a seried of 00 con	being sold by Lessee, sticit well or wells are s	s snan nevernjejess bublic or production
th	re from is not being sold by Lessee, then Lessee shall pay shut-in	rovally of and dollar	nor a period or so con	i by this lease, such never to be m	nucin of production
Le	sor's credit in the depository designated below, on or before the er	d of sald 90-day neric	d and thereafter on or	t before each anniversary of the end of	o) to tossess of the blas
w	le the well or wells are shut-in or production there from is not being	sold by Lessee; novic	led that if this lease is	otherwise being maintained by operation	ons, or if production
ls	eing sold by Lessee from another well or wells on the leased prem	ises or lands pooled !	herewith, no shut-in re	ovally shall be due until the end of the	90-day period next
fo	owing cessation of such operations or production. Lessee's failure	to properly pay shut-ly	rovally shall render	Lessee liable for the amount due, but	shall not operate to
	ninate this lease.				
	4. All shut-in royalty payments under this lease shall be paid or	endered to Lessor or I	o Lessor's credit in <u>a</u>	<u>it lessor's address above</u> or its succ	essors, which shall
be	essor's depository agent for receiving payments regardless of char-				
dn	it and such payments or tenders to Lessor or to the depository by o	eposit in the US Mails	In a stamped envelor	pe addressed to the depository or to the	e Lessor at the last
	reas known to Lessee shall constitute proper payment. If the depo				
pa	ment hereunder, Lessor shall, at Lessee's request, deliver to Lesse	a proper recordable i	nstrument naming ano	ther institution as depository agent to re	eceive payments.
	5. Except as provided for in Paragraph 3, above, if Lessee drills	a well which is incapat	ble of producing in pay	ying quantities (hereinafter called "dry h	iole") on the leased
þr	mises or lands pooled therewith, or if all production (whether or n	ot in paying quantities	<ul> <li>permanently ceases</li> </ul>	s from any cause, including a revision	of unit boundaries
рц	suant to the provisions of Paragraph 6 or the action of any gove	rnmental authority, th	en in the event this	lease is not otherwise being maintain	ed in force it bhail
	ertheless remain in force if Lessee commences operations for rewo				
Oll	the leased premises or lands pooled therewith within 90 days after o	ompletion of operation	is on such dry hole or	within 90 days after such dessation of	all production. If at
m	end of the primary term, or at any time thereafter, this lease is no	il otherwise being mei	mained in force but t	lessee is then eligayed in diming, rew	DINING DI ANY DUNCI
oi	rations reasonably calculated to obtain or restore production therefr cessation of more than 90 consecutive days, and if any such open	om, uns lease shan fer	main in lorce so long a	is any one of more of such operations to	are prosecuted with
HC.	re is production in paying quantities from the leased premises or la	nions result in the pro	After nompletion of a	mell considered adversed hereby, as	anities hereunder
10	see shall drill such additional wells on the leased premises or lands	norted therewith as a	reseanably prodent or a	nerator would drill under the same or sir	nilar circumstances
to	a) develop the leased premises as to formations then capable of p	roducina in navlaa ar	antitles on the leased	premises or lands pooled therewith, or	or (b) to protect the
lei	sed premises from uncompensated drainage by any well or wells lo	rated on other lands o	ot pooled therewith.	There shall be no covenant to drill explain	pratory wells or any
ac	itional wells except as expressly provided berein.				
	6. Lessee shall have the right but not the obligation to pool all of	r any part of the lease	ed premises or interes	t therein with any other lands or intere-	sts, as to any or all
de	the or zones, and as to any or all substances covered by this lea	se, eilher before or afl	ter the commencemen	at of production, whenever Lesses des	ms it necessary or
pr	per to do so in order to prudently develop or operate the leased pre	nises, whether or not	simitar pooling authorit	ty exists with respect to such other land	is or interests. The
ur	formed by such pooling for an oil well which is not a horizontal cor	apletion shall not exce	ed 80 acres plus a ma	aximum acreage tolerance of 10%, and	l for a gas well or a
he	zontal completion shall not exceed 640 acres plus a maximum acre	age tolerance of 10%;	provided that a larger	unit may be formed for an all well or ga	as well or horizontal
CC	opietion to conform to any well spacing or density pattern that may	te prescribed or permi	tted by any governme	ntal authority having jurisdiction to do s	o. I-or me purpase
of	he foregoing, the terms "oil well" and "gas well" shall have the mea	nings prescribed by a	pplicable law or the a	ppropriate governmental authority, or, t	t no definition is so
pr	scribed, "oil well" means a well with an initial gas-oil ratio of less tha	n 100,000 cubic feet p	er barrel and "gas well	r means a wen with an initial gas-oil rai	Signs out, out 10 on
fe	or more per barrel, based on 24-hour production test conducte	i under normal produ	icing conditions using	/ Standard lease separator (acitties of	ginidas intakvinya i
ec	ipment; and the term "horizontal completion" means an oil well in ipment; and the term "horizontal completion" means an oil well in	i wnich the nonzonta	component of the gree	e completion interval in the reservoir s	veeds the vedical
ec	rpment; and the term horizontal completion means an on well in rponent thereof. In exercising its pooling rights hereunder, Lesses	which the honzonial c	umponent of the gros	sections the unit and station the effect	ive date of nonling
CC	aponent mereor. In exercising its pooling rights hereunder, Lesset duction, drilling or reworking operations anywhere on a unit which	ranamme of record & rincludes all or accir	winten decidated on the	mises shall be treated as if it were or	oduction, drilling or
**!  **	orking operations on the leased premises, except that the producti	n an which Lessor's r	ovalty is calculated sh	all be that proportion of the total unit of	roduction which the
ΠE	acreage covered by this lease and included in the unit bears to the	ne total gross acreage	In the unit, but only !	to the extent such proportion of unit pr	aduction is sold by
1.6	see. Pooling in one or more instances shall not exhaust Lessee's.	poplina rights hereund	er, and Lessee shall h	have the recurring right but not the obliq	gation to revise any
110	formed bereunder by expansion or contraction or both, either bet	ore or after commend	ement of production. I	in order to conform to the well spacing	g or density pattern
Df	surbed or negalited by the governmental authority having jurisdict	on, or to conform to a	ny productive acreage	e determination made by such governn	nental authority. In
m	king such a revision. Lessee shall file of record a written declaration	n describing the revise	d unit and stating the	effective date of revision. To the exten	it any portion of the
ما	sed premises is included in or excluded from the unit by virtue of su	rch revision, the propo	rtian of unit production	n on which royallies are payable hereut	nder shall thereafter
be	adjusted accordingly. In the absence of production in paying quanti	ties from a unit, or upo	n permanent cessatio	n thereof, Lessee may terminate the un	iit by filing of record
a	ritten declaration describing the unit and stating the date of terminat	on. Paoling hereunde	r shall not constitute a	cross-conveyance of Interests.	

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royallies and shut-in royallies payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

- of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

  B. The interest of either Lessor's or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be blinding on Lessee until 30 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership in the salistaction of Lessee or has as alisted the notification requirements contained in Lessoes's usual form of division order. In the event of the death of any person entitled to shurth royalities hereunder, Lessee may pay or tender such shut in royalities to event the depository designated above. If at any time two or more persons are entitled to shurth royalities hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either folintly or separately in proportion to the interest which each owns. If Lessee transfers is interest hereunder in whole or in part Lessee shall be refleved of all obligations the respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred by this lease, the obligation to pay or lender shut-in royalities hereunder shall be divided between Lessee and the transferree in proportion to the net accesses all not affect the rights of Lessee may at any lime and from time to time, deliver to Lessoe with respect to any interest not so transferred. It lesses transfers is interest the release of this lesse as to a full or
- now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the night at any time to remove its lixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, sirike or labor disputes, or by inability to obtain a salisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be lable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the narrier and p

- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms e has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lesson LESSOR (WHETHER ONE OR MORE) 1611/20 GU Ву: ACKNOWLEDGMENT STATE OF COUNTY OF This instrumen JUZYVIAY. IVETH GUZMAN Notary Public, State of Texas tary Public. State of Notary's name (printed) Commission Expires Noterv's commission expl April 18, 2011 STATE OF COUNTY OF 2008. This instrument was acknowledged before me on the day of

> Notary Public, State of Notary's name (printed): Notary's commission expires:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 12/03/2008 04:11 PM | D208444368 | LSE | 3 PGS | \$20.00

D208444368

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